

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

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| In the Matter of |) | |
| |) | |
| Bridging the Digital Divide for Low-Income Consumers |) | WC Docket No. 17-287 |
| |) | |
| Lifeline and Link Up Reform and Modernization |) | WC Docket No. 11-42 |
| |) | |
| Telecommunications Carriers Eligible for Universal Service Support |) | WC Docket No. 09-197 |
| |) | |

**REPLY COMMENTS OF THE CITIES OF BOSTON, MASSACHUSETTS,
LOS ANGELES, CALIFORNIA, AND PORTLAND, OREGON, AND THE
TEXAS COALITION OF CITIES FOR UTILITY ISSUES**

The Cities of Boston, Massachusetts, Portland, Oregon, and Los Angeles, California, and the Texas Coalition of Cities for Utility Issues (collectively, “Cities”) submit these Reply Comments to highlight the broad opposition to be found in the record to the numerous proposed changes to the Lifeline program in the Commission’s Fourth Report and Order, Order on Reconsideration, Memorandum Opinion and Order, Notice of Proposed Rulemaking, and Notice of Inquiry. (“2017 NPRM/NOI”).¹

Commenters are unequivocal in their opposition to the 2017 NPRM/NOI proposals and equally strong in their conviction that:

¹ *In the Matter of Bridging the Digital Divide for Low-Income Consumers et al*, WC Docket No. 17-287, Fourth Report and Order, Order on Reconsideration, Memorandum Opinion and Order, Notice of Proposed Rulemaking, and Notice of Inquiry (rel. Dec. 1, 2017) (“2017 NPRM/NOI”). Unless otherwise specified, references to “Comments” throughout this document refer to submissions in WC Docket No. 17-287.

- Lifeline must continue to prioritize affordability, not infrastructure deployment.
- Lifeline is a stronger program when non-facilities-based providers are eligible to participate.
- Lifeline beneficiaries deserve the same Lifeline support, no matter where they live.
- Lifeline beneficiaries will suffer from indefensible caps, conditions, and limitations which raise administrative costs, confer no meaningful benefit, and cripple the program.

In sum, the 2017 NPRM/NOI proposals will harm the Lifeline program, jeopardizing assistance for the neediest among us while departing from the Commission’s Congressionally-mandated universal service directives.

I. Lifeline Must Continue to Prioritize Affordability, Not Infrastructure.

First, the record reflects near-unanimous opposition to Commission’s proposal to prioritize infrastructure over affordability, a stark departure from the Lifeline program’s core tenets and history.² The Cities agree with numerous commenters that Lifeline has always been, and must remain, an affordability program, not an infrastructure subsidy, and that “the Commission should not utilize the Lifeline program to achieve a goal for which it is not designed.”³ The Commission must preserve a Lifeline program whose “primary goal is to ensure affordable telecommunications services for the country’s most vulnerable consumers.”⁴

² See, e.g. USTelecom Comments at 1; Multicultural Media, Telecom, and Internet Council, *et al* Comments at 7 (“MMTC Comments”); CTIA Comments at 10; National Hispanic Media Coalition Comments at 6 (“NHMC Comments”); NARUC Comments at 18; National Association of Telecommunications Officers and Advisors and National League of Cities Comments at 3 (“NATOA/NLC Comments”).

³ USTelecom Comments at 2.

⁴ MMTC Comments at 4.

II. Lifeline Benefits from the Inclusion of Non-Facilities-Based Providers.

Virtually all commenters, furthermore, disagree with the Commission's proposal to limit Lifeline participation solely to facilities-based providers.⁵ As Dr. John Mayo noted, Lifeline funds already generate infrastructure investment under the program's current structure, and the proposal to eliminate resellers would compromise that outcome.⁶ In contrast to the Commission's assertions, the presence resellers "increases incentives for network investment and effectively supports the strong economic foundation for Lifeline's role as an affordability program to meet the unique needs of low-income consumers."⁷ While the Commission's goal of increasing broadband deployment is laudable, it need not and should not come at the expense of an established, successful program like Lifeline. No person or group has an interest in preserving the digital divide; it is unnecessary to harm low-income individuals or otherwise pick winners and losers in order to make progress in broadband deployment.⁸

III. Lifeline Beneficiaries Deserve The Same Support, No Matter Where They Live.

The record also reflects extensive objections to the Commission's proposal to prioritize support for low-income consumers based on where they live.⁹ The Cities reiterate their strong opposition to proposals which would pick winners and losers through Lifeline targeting.

⁵ See, e.g. USTelecom Comments at 2; New America's Open Technology Institute Comments at 21 ("OTI Comments"); MMTC Comments at 5; Communications Workers of America Comments at 4; INCOMPAS Comments at 4; Sprint Comments at 14; ITIF Comments at 4; CTIA Comments at 10; NHMC Comments at 16; NARUC Comments at 18; NATOA/NLC Comments at 3; Mobile Future Comments at 3; Verizon Comments at 8.

⁶ CTIA Comments Exhibit A, Declaration of Dr. John Mayo, at 3.

⁷ CTIA Comments at 3.

⁸ See NATOA/NLC Comments at 3.

⁹ See, e.g. Leadership Conference on Civil and Human Rights *et al* Comments at 2; NHMC Comments at 24-25; ITIF Comments at 8; OTI Comments at 30; Sprint Comments at 5; INCOMPAS Comments at 14; MMTC Comments at 4.

Consumers everywhere need access to communications services, and the Lifeline program must continue to help all those in need, regardless of where they live. The Cities agree with New America’s Open Technology Institute that “the Commission should not be engaging in judgments about which low-income Americans are most worthy of support.”¹⁰ The Cities strongly echo the National Lifeline Association’s statement that “[t]oday’s Lifeline subscribers live [...] in rural, suburban and urban areas, and in ‘affluent’ zip codes and in zip codes mired in economic malaise.”¹¹ The Commission is charged by Congress with helping all of these people, not merely those in areas it deems more important.

IV. Lifeline Beneficiaries Will Suffer From Indefensible Caps, Conditions, and Limitations Which Raise Administrative Costs, Confer No Meaningful Benefit, and Cripple Lifeline.

Finally, the commenters voiced widespread opposition to proposals which would compromise the scope and utility of the Lifeline program, such as the imposition of a budget cap, co-pays or a maximum discount level, or amount, duration, or lifetime limits on benefits. The Cities reiterate their opposition to these proposals. The addition of a co-pay requirement, for example, would “eliminate the most popular Lifeline service,”¹² and “will drive up ETCs’ cost of providing Lifeline service.”¹³ A self-enforcing budget cap “would predictably have the unfair and, for some, disastrous practical effect of excluding many eligible and deserving low-income participants”¹⁴ while “introduc[ing] significant complexity into the application of the Lifeline

¹⁰ OTI Comments at 30.

¹¹ National Lifeline Association Comments at ii.

¹² Leadership Conference on Civil and Human Rights *et al* Comments at 2.

¹³ Sprint Comments at 11.

¹⁴ INCOMPAS Comments at 14.

benefit and reimbursement process.”¹⁵ Any form of lifetime benefit limit adds needless complexity and immense administrative burden, and “would likely deter many providers from entering the Lifeline marketplace altogether.”¹⁶ These and other proposals in the 2017 NPRM/NOI “appear to be designed to ‘focus’ the Lifeline program out of existence.”¹⁷ These proposals are fundamentally inconsistent with the Commission’s obligations to further universal service, and stands in stark contrast to the entire history of the Lifeline program.

V. Conclusion

The Cities urge the Commission to recognize the widespread opposition in the record to many of the central proposals contained in the 2017 NPRM/NOI, and in particular the near-

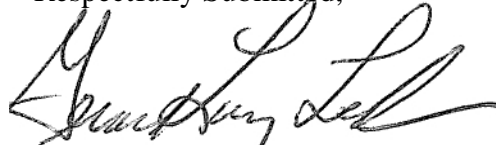
¹⁵ USTelecom Comments at 9.

¹⁶ OTI Comments at 26.

¹⁷ NHMC Comments at iii.

universal opposition to proposals which would have a punitive effect on low-income Americans and whose adoption would represent a wholesale abandonment of foundational universal service principles.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Gerard Lavery Lederer", written over a horizontal line.

Gerard Lavery Lederer

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